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Date: July 18, 2005
Reference No.:

Circular Letter No.: 600-241-05
Distribution:

Special:

TO: Financial Officers, Health Benefit Officers and Assistant Health Benefit Officers of Contracting Public Agencies

SUBJECT: CalPERS Administrative Fee for Fiscal Year 2005/2006

The 2005/2006 California State Budget, which was signed by the Governor on July 11, 2005, changed the administrative fee charged to state and contracting agencies participating in the CalPERS Health Benefits Program. Effective July 1, 2005, the administrative fee will be reduced from 0.425 percent of premium to 0.30 percent of premium.

Your September 2005 invoice will reflect this change to your administrative fee. The September invoice will also reflect a retroactive adjustment of the administrative fee for the months of July and August 2005. Therefore, your agency will be reimbursed the difference between the 0.425 percent of premium previously charged and the new .30 percent of premium, effective July 1, 2005.

If you have any questions regarding this information, please call the CalPERS Employer Contact Center at (888) 225-7377.

ORIGINAL SIGNED BY:

Holly A. Fong, Chief
Office of Employer and Member Health Services